THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI SATYA BRATA MOOKHERJEE): (a) and (b) At present, all fertilisers except Ammonium Sulphate, Ammonium Chloride, Calcium Ammonium Nitrate and Sulphate of Potash are sold at subsidised rates to farmers including the farmers in drought and famine prone areas. There is no proposal under consideration to sell fertilisers at lower rates in drought and famine prone areas.

Financial concessions to fertilizer industries

†641. SHRI RAJIV RANJAN SINGH 'LALAN':
SHRI RAM JETHMALANI:

Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) whether it is a fact that fertilizer manufacturing industries are being provided financial assistance under incentives schemes, in the form of concessions;

(b) if so, the quantum of financial assistance provided during 1997-1998, 1998-1999, 1999-2000 and 2000-2001; and

(c) the benefits derived by the fertilizer industries, as a result of these concessions?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI SATYA BRATA MOOKHERJEE): (a) to (c) Government provides subsidy to urea manufacturers as the difference between the retention price (cost of production plus 12% post tax return on net worth) and the statutorily notified Maximum Retail Price of Urea, which is the only fertilizer covered under the Retention Price-cum-Subsidy Scheme. Government also provides concession at uniform rates to manufacturers of decontrolled phosphatic and potassic fertilizers covered under the Concession Scheme since the MRPs indicated for these fertilizers are less than the cost of production. The purpose of subsidy/ concession scheme is to supply fertilizers to the farmers at

†Original notice of the question was received in Hindi.

affordable prices, while providing to the fertilizer manufacturers a reasonble return on their net worth.

The amount of subsidy/concession paid during 1997-98, 1998-99, 1999-2000 and 2000-2001 are as follows:

(Rs. in crore)

S. No.	Period	Amount of subsidy paid on urea#	Amount of concession paid on decontrolled phosphatic and potassic fertilizers#
1.	1997-98	7321.96	2595.85
2.	1998-99	7597.22	3789.94
3.	1999-2000	8744.07	4500.00
4.	2000-2001	9481.00	4319.00

Price fixation policy for fertilizers

†642. SHRI VIJAY SINGH YADAV: Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) whether the Ministry of Chemicals and Fertilizers have examined the recommendations of the Expenditure Reforms Commission with regard to price fixation policy for fertilizers;

(b) if so, the details thereof and the reaction of Government thereto;

(c) whether concerned Ministries, State Governments and Fertilizer Industry have been consulted in this regard;

(d) if so, the details thereof and the main observations made by the State Government with regard to new pricing policy; and

(e) by when the new pricing policy is likely to be announced?

THE MINISTER OF STATE IN THE MINISTRY OF

#Inclusive of subsidy/concession on imported fertilizers.
†Original notice of the question was received in Hindi.